

## **Soboba Band of Luiseño Indians**

P.O. BOX 487 • SAN JACINTO, CA 92581 • TELEPHONE (951) 654-2765

### **SOBOBA BAND OF LUISEÑO INDIANS**

P.O. Box 487 San Jacinto, CA 92581 Telephone (951) 654-2765

September 12, 2006

C. Robin Reeser Lowe, Mayor  
Office of the City Council  
City of Hemet  
445 E. Florida Avenue  
Hemet CA 92543

*Re: Soboba Settlement*

Dear Mayor Lowe:

In response to the request of the Hemet City Council, I am writing on behalf of the Soboba Tribal Council to summarize and clarify the terms of the Soboba settlement and how they will be implemented. It is my understanding that as a prelude to authoring a letter to Congress in support of the Soboba Settlement Act, the Hemet City Council desires to have the Tribal Council and City Council endorse this letter as representing the current state of the facts and law as understood by both parties. This letter has been provided to the Board of Supervisors of Riverside County and the City Council of San Jacinto, both of whom support the introduction and passage of the Soboba Settlement Act in its present form.

The settlement must be approved by Congress, of course, and its terms may be modified in that process, but the description below represents the current agreement between the Soboba Band of Luiseño Indians, the Eastern and Lake Hemet Municipal Water Districts, and the Metropolitan Water District of Southern California. Please let me assure your Council that the Soboba Tribal Council does not intend to ask Congress for any modified or additional terms.

#### **SUMMARY OF BASIC SETTLEMENT TERMS**

##### ***What the Soboba Tribe Will Receive***

- 128 acres of land at the northeast corner of Domenigoni Parkway and S.H. 79, now owned by Eastern and Metropolitan (the "Settlement Property").

- The congressional legislation that will approve the settlement also will result in the Settlement Property being taken "into Trust" by the United States Government on behalf of the Soboba Tribe. The settlement and the congressional legislation do not authorize or permit Las Vegas style gaming activities to take place on the Settlement Property.
- A prior and paramount right to produce 9,000 acre-feet per year from the Canyon and the Intake portion of the Upper Pressure subbasins for use only on Tribal lands within those subbasins. The Settlement Property is not included within those subbasins as defined in the settlement, and the Tribe will not be entitled to use any of this water right to serve development or other uses on the Settlement Property.
- \$17 million from Eastern and Lake Hemet for the Tribe's agreement to limit its production to 4,100 acre-feet per year for the first 50 years.
- \$11 million from the United States for water infrastructure improvements.

***What Soboba's Neighbors Will Receive***

- Final resolution of Soboba water rights & claims.
- An average of 7,500 acre-feet per year of imported water from Metropolitan at its untreated replenishment rates until at least 2035.
- \$10 million in Federal funds to EMWD for construction and operation of recharge facilities (the "Phase 1 Facilities" described in the Water Management Plan) to receive and recharge the imported water delivered by Metropolitan.
- Up to 98 acres of Soboba land for endangered species habitat.
- Use of up to 4,900 acre-feet per year, for 50 years, of unutilized Soboba water rights will be available for use by participants of the Water Management Plan as provided in the Plan.
- Approval of the Water Management Plan by the Tribe and the United States.

***The Role of the Cities of Hemet and San Jacinto***

- Cities are not parties to the Soboba litigation or claims. As such, the cities are not parties to the settlement.
- Through the Water Management Plan, cities will pay a pro rata share (Hemet 19.6%, San Jacinto 12.5%) of the costs:
  - To construct Phase 1 recharge facilities. Current estimate of net cost is \$11.2 million. Hemet's pro rata share is estimated at approximately \$2,195,200.

- To purchase Metropolitan water. Cost will fluctuate as Metropolitan's untreated replenishment water rate fluctuates.
- To purchase unused Tribal water and to compensate the Tribe for its agreement to limit water production for 50 years. Total cost is \$17 million. Hemet's pro rata share is \$3,332,000.
- Through the Water Management Plan, cities will receive:
  - Long-term stabilization of the San Jacinto River basin.
  - Access to economically priced Metropolitan water.
  - Access to economically priced unused Tribal water.

## **DEVELOPMENT OF THE SETTLEMENT PROPERTY**

### ***Regional Consultation***

- Although the Tribe believes that development of the Settlement Property will prove beneficial to the surrounding communities, it recognizes the value of, and need for, improved communications between the Tribe and the governmental entities of the Hemet-San Jacinto Valley. Toward that end, the Tribe is willing to work in good faith with the City of Hemet and other governmental entities of the Valley, to form an advisory committee of local and tribal officials that would meet regularly to identify and discuss local and regional issues of mutual interest and concern.

### ***Regulation***

- The Tribe does not have any plans at present for development of the Settlement Property, but any future development will be regulated by the Soboba Tribe and the United States, which will hold legal title to the land in trust for the Tribe.
  - Federal approval will be required for many decisions regarding use of the land, which will require compliance with NEPA, the Endangered Species Act, and other applicable federal laws. The Tribe will also be required to comply with its own environmental ordinance. The Tribe agrees that it will comply with mitigation measures identified through the environmental review processes and will enter into agreements with the proper local governmental entities as may be necessary and appropriate to implement such mitigation measures.
  - The Tribe also has standards for building codes and safety, drinking water quality, food and beverage handling, and workplace and

occupational safety and health that are no less stringent than the otherwise applicable state or federal standards.

- The Tribe will not be subject to California, Riverside County, or other local land use, environmental, building or safety laws, ordinances or regulations.
- Although development and use of the Settlement Property will not be subject to regulation by state and local governmental authorities, prior to any development, the Tribe will provide Riverside County and the cities of Hemet and San Jacinto an informal opportunity to comment on the nature of the planned development, traffic impacts and other issues of mutual interest.

#### **Services**

- The Tribe plans to provide or contract with Riverside County and/or the City of Hemet to provide adequate police, fire and waste disposal services for the Settlement Property. Any such contract will provide that the Tribe will reimburse the local government for the actual costs of providing the services, although the scope and cost of the services are not known at this time.
- The Tribe plans to provide water and sewage services for the Settlement Property through Eastern Municipal Water District.

#### **Taxation**

- If the Settlement Property is developed for commercial use, California's sales and use taxes are levied as follows:
  - Sales of goods by a business owned by an Indian to an Indian who resides on a reservation are not subject to California sales or use tax if the goods are used primarily on-reservation.
  - Sales of goods by a business owned by an Indian to a member of the public are not subject to California sales tax, but are subject to California use tax.
  - Sales of goods by a business owned by a non-Indian to an Indian who resides on a reservation are not subject to California sales or use taxes if the goods are used primarily on-reservation.
  - Sales of goods by a business owned by a non-Indian to a non-Indian are subject to California sales and use taxes.
  - Food and beverages sold by an Indian for consumption on-reservation are not subject to California sales and use taxes.

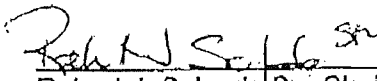
C. Robin Reeser Lowe, Mayor  
September 12, 2006  
Page 5 of 5

- The Tribe will not be required to pay state or any other local governmental entities for property taxes, Mello-Roos taxes, or other special assessments.
- The Tribe will not be required to pay any transient occupancy tax imposed by any local governmental entity upon hotels and motels.
- The Tribe will collect and remit all taxes required by law.

**Gaming**

- The Tribe does not intend to conduct Las Vegas style gaming or other types of gaming on the Settlement Property, and gaming is not authorized by either the Soboba Settlement Act or the Indian Gaming Regulatory Act.
- Under existing federal law, the Tribe could not conduct gaming on the Settlement Property in the future absent mitigation agreements with local governments regarding jurisdictional and land use issues, preparation of a full Environmental Impact Statement under the National Environmental Policy Act, and approval of California's Governor.
- With the exception of the Governor's approval, virtually the same requirements for gaming would apply under existing federal law regardless of whether the Tribe received the Settlement Property in fee or in trust.

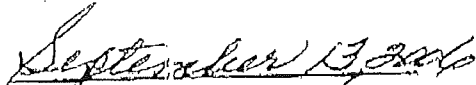
Sincerely,

  
Robert J. Salgado Sr., Chairman

**Acknowledgement**

On behalf of the Hemet City Council, we have reviewed the foregoing letter, have consulted with our City Attorney regarding its contents, and are satisfied that it accurately represents the terms of the Soboba settlement and how they will be implemented if the settlement is approved by Congress in its current form.

  
C. Robin Reeser Lowe, Mayor

  
Dated